



**A Publication of the
DEPARTMENT OF REGULATION AND LICENSING
FOR CHARITABLE ORGANIZATIONS, PROFESSIONAL FUND-RAISERS
Volume 13, No. 1 AND FUND-RAISING COUNSEL April, 2001**

Licensing Statistics

The number of active licensees, as of March 1, 2001, was:

Registered Charitable Organizations	5,767
Registered Professional Fund-raisers	86
Registered Fund-Raising Counsel	2

Complaint Statistics

(January 1, 2000 to December 14, 2000)

Complaints Received – 12
Complaints Closed After Screening – 12
Complaints Closed After Investigation – 0
Complaints Closed Formally – 1

Note: The number of complaints closed includes some complaints received prior to 2000.

Secretary Marlene Cummings Retires

Marlene Cummings has retired as Secretary of the Department of Regulation & Licensing. She will be pursuing private interests.

**CHARITABLE ORGANIZATIONS,
PROFESSIONAL FUND-RAISERS
AND FUND-RAISING COUNSEL**

Case Screeners and Advisors:

Thomas L. Heine (Madison)
Howard M. Schwartz (Brookfield)

Administrative Staff:

Cletus J. Hansen, Division Administrator

Executive Staff:

William J. Conway, Acting Secretary
Myra Shelton, Executive Assistant

Secretary Cummings, who retired from state service on February 25, 2001, had served with Governor Tommy Thompson since the beginning of his administration and was one of his first cabinet appointments.

“My 14 years of service in Governor Thompson’s administration have been both inspiring and challenging,” Secretary Cummings said. “We were often at the forefront of significant business and health care developments.”

Failure to Pay Child Support

Failure to pay court-ordered child support may result in the suspension or non-renewal of the registration certificate of a professional fundraiser or fund-raising counsel.

Recently-enacted Wisconsin laws give local child support agencies the ability to request suspension or denial of licenses of people whose names appear on the Child Support Lien Docket and who owe more than \$1,000 or three months’ worth of child support.

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Past-due child support creates a lien against all of a payer's titled property. The lien is entered into Wisconsin's Child Support Lien Docket when past-due support reaches a specified threshold. In January 2001, the threshold amount was \$20,000 in past-due support.

Child support agencies will notify payers at the time their names are added to the Child Support Lien Docket and prior to initiating license suspension action. Satisfaction (payment in full) of the child support lien, or entering into and complying with a plan to pay off the past-due support, will halt license suspension action.

For more information about child support liens and license suspension, please contact your local child support agency.

Reminders

The registrations of registered charitable organizations will expire on July 31, 2001. The Department will mail renewal notices around the middle of June. Registrations must be renewed every year. Charitable organizations may send in a late renewal application and fee; however, they should not be soliciting contributions in Wisconsin if they have not submitted their application. There is a \$25 late filing fee. The renewal deadline for professional fund-raisers and fund-raising counsel is August 31 of each even-numbered year.

Representatives of charitable organizations should not confuse the renewal deadline with the deadline for filing annual reports or affidavits filed in lieu of financial reports. The **renewal deadline** is July 31 each year. This date is the same for all registrants. The renewal form is simply a 3½- by 8½-inch piece of paper and is accompanied by instructions. However, the **annual** report deadline is 6 months following the end of a charitable organization's fiscal year. The fiscal year of some organizations ends on June 30; the fiscal year of other charitable organizations ends September 30, December 31, or any other date chosen by the charitable organization. If an organization fails to file a completed annual report or affidavit, the

Department will deny the renewal application. Last year the Department denied 31 renewals.

You might ask, "If the Department denies the renewal of registration, is that the end of the road for the charitable organization?" Not necessarily. If the organization submits the completed report or affidavit, pays the regular renewal fee, and pays the \$25 penalty fee, the Department will renew the registration at that time and the organization may again solicit contributions.

Some organizations use the federal Form 990, rather than the Department's Form 308, to file their annual financial report with the Department. If you file the Form 990, you must also include the Department's one-page supplemental form, Form 1952. Please do not write across the top of the supplemental form, "Refer to Form 990 for figures." Please fill in the figures, as required by the form.

If your organization changes its name, you must send to the Department a copy of the amendment of your organization's Articles of Incorporation within 30 days after the name change.

A registered charitable organization that obtains \$5,000 or more of solicited income from Wisconsin contributors in a fiscal year must file a financial report or an affidavit in lieu of a financial report. If the organization obtains less than \$5,000 of solicited income, it may file an affidavit which, basically, says that the organization did not obtain \$5,000 in contributions and it wishes to claim an exemption from the financial report requirement. An affidavit may also be filed if an organization operates solely within one community and has received less than \$50,000 in contributions during its most recently completed fiscal year.

We have said before, and we will continue to remind you many times in the future, that annual financial reports are open records. They may be viewed by the public and copied. In fact, making your financial reports available to the public is one of the primary purposes of the charitable organization registration law. We are

pleased when reporters and other people come to our office to review reports. You may not be quite as pleased, because one never knows what kinds of problems can surface. However, if you are providing good stewardship of the contributions you obtain, you should have little to worry about. Just remember that what you put on the pages of your financial report can be put in front of you several years later and you may be asked to explain any inconsistencies with other information. We depend on the truthfulness and accuracy of what you report to us and on the scrutiny of others.

Information on the Internet

The state of Wisconsin now has a new portal on the Internet that enables persons to access all state agencies and services from this single entry point. The portal is in its infancy stage; however, it will grow and develop very quickly. Simply enter the following Web address: <http://www.wisconsin.gov/>

Then you can click on "Agency Index" and find the Department of Regulation & Licensing in the alphabetical list. Be sure to check out our site, because it has been recently revised and it, too, continues to grow. Eventually, our site will have more informational documents and application forms that you will be able to fill out and submit electronically. At the end of 2000, real estate agents were the first group of licensees that were able to renew their licenses electronically on the Internet. During the next year or two many more organizations and individuals will be able to renew on the Internet.

Be sure to click on some other agencies that provide services that may be beneficial to you. For example, note the information provided by the Department of Financial Institutions (DFI) concerning corporations, both for-profit or non-profit. DFI's Web address is: <http://www.wdifi.org/>

There are other Web sites that provide information to charitable organizations. One site that the Department subscribes to for a fee is the following: <http://philanthropy.com/> Any interested person can access some of the information on this site without having to subscribe to this newspaper. There are,

obviously, many other sites on the Internet that provide helpful information to charitable organizations. Simply use your favorite search engine and start clicking.

Guidelines For Solicitations on the Internet

In the last issue of the Regulatory Digest we published a draft of the guidelines that were prepared and circulated by the National Association of State Charity Officials (NASCO). They look pretty good to us; however, we are still waiting to receive an update regarding reactions to the draft.

We did note, with interest, a letter to the editor of The Chronicle of Philanthropy (October 5, 2000) in which the writer, Henry Goldstein, president of the Oram Group, a fund-raising consulting company in New York, said, in part, "Sadly, the regulators have come up with an old-economy phenomenon. Through the Internet, the charities can and do receive donations from people who live all over the world, but the association doesn't seem to understand that Internet solicitation blasts away state boundaries and therefore state regulators. More important, the regulators seem to be focusing on a form of fund raising that is unlikely anytime soon to be a big deal. Instead of looking at ways to protect state residents from online fraud, regulators should be paying attention to how best to prevent scam artists from doing any type of charity solicitation."

As soon as we do receive more information from NASCO, we will provide it to you and evaluate how we should approach this issue.

Biennial Budget Bill

Governor Scott McCallum's Biennial Budget Bill (AB 144/SB 55) does not propose any changes to the initial registration fee and the renewal fee of charitable organizations. The bill does, however, propose increasing the professional fund-raiser and fund-raising counsel fees, as follows:

Fund-raising counsel

initial registration - ~~\$44~~ \$53

renewal of registration - ~~\$44~~ \$53

Professional fund-raiser

initial registration - ~~\$44~~ \$53

renewal of registration - ~~\$94~~ \$93

These changes could become effective sometime this summer.

REGULATORY DIGEST

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(608) 266-5511

After dialing this number you may listen to a menu or you may immediately press one of the following extension numbers:

Application Forms	Press 11
Complaints Against Licensees	Press 12
Whether A Person Is Licensed	Press 442
Application Processing & Requirements	Press 441
Financial Reports	Press 441
Fax Number	(608) 267-3816

Visit the Wisconsin Web Portal

www.wisconsin.gov

The Department's home page is located at
www.drl.state.wi.us.

Copies of the Regulatory Digest are on the Web.

Send comments to dorl@drl.state.wi.us

Wisconsin Statutes and Code

Copies of the Statutes and Administrative Code relating to charitable organizations and fund-raising can be ordered from the Department. Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. The latest edition is dated July 1999.

Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes is not automatically provided.

SECTION 444.11, WIS. STATS. ALLOWS FOR A \$50 PENALTY TO BE IMPOSED WHEN CHANGES ARE NOT REPORTED WITHIN 30 DAYS.

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